

U.S. International Trade Commission

Management Report: Improper Payment Determination for Fiscal Year 2022



OIG-MR-23-05

April 17, 2023



Office of Inspector General

The U.S. International Trade Commission is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement. USITC analysts and economists investigate and publish reports on U.S. industries and the global trends that affect them. The agency also maintains and publishes the Harmonized Tariff Schedule of the United States.



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

April 17, 2023

IG-VV-006
OIG-MR-23-05

Chairman Johanson:

This transmits the Inspector General's report on the U.S. International Trade Commission's (US ITC or Commission) compliance with the Payment Integrity Improvement Act of 2019 (PIIA) (Public Law 116-117). We conducted this review based on the requirements in the Office of Management and Budget (OMB) Circular A-123, Appendix C (M-21-19), OMB Circular A-136, OMB Annual Data Call Instructions (on the max.gov improper payment page), OMB Payment Integrity Question and Answer Platform, and guidance issued by the Council of Inspectors General on Integrity and Efficiency.

Enacted in March 2020, the PIIA requires federal executive agencies to periodically review and identify all programs and activities an agency administers that may be susceptible to significant improper payments.¹ The PIIA defines an improper payment as one that should not have been made, or that was made in an incorrect amount, including an overpayment or underpayment, based on statutory, contractual, administrative, or other legally applicable requirements.² The OMB defines significant improper payments as annual Improper Payment (IP) and Unknown Payment (UP) exceeding: (1) both 1.5 percent and \$10 million of all program payments; or (2) \$100 million regardless of the percentage of program payments.³ The PIIA aims to improve efforts to identify and reduce governmentwide improper payments and sets forth improper payment reporting requirements for federal agencies, including an annual compliance review to be conducted by the agency Office of Inspector General (OIG).

¹ Public Law no. 116-117, 134 Stat. 113.

² 31 USC §3351, Definitions, (4).

³ OMB Circular A-123, Appendix C (M-21-19), Section II, C, 1.

We determined that the Commission complied with applicable PIIA requirements for Fiscal Year 2022 (FY 22), as shown in Table 1 below.

Table 1: The Commission’s FY 22 Compliance with PIIA Requirements, by Agency Program

PIIA Requirements	Payroll	Services
<i>Has the U.S. International Trade Commission</i>		
1a. Published payment integrity information with the annual financial statement?	Yes	Yes
1b. Posted the annual financial statement and accompanying materials on the agency website?	Yes	Yes
2a. Conducted IP risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years?	Yes	Yes
2b. Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold?	Yes	Yes
3. Published IP and UP estimates for programs susceptible to significant IPs in the accompanying materials to the annual financial statement?	N/A	N/A
4. Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement?	N/A	N/A
5a. Published IP and UP reduction targets for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement?	N/A	N/A
5b. Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate?	N/A	N/A
5c. Developed a plan to meet the IP and UP reduction target?	N/A	N/A
6. Reported an IP and UP estimate of less than 10% for each program for which an estimate was published in the accompanying materials to the annual financial statement?	N/A	N/A

Source: U.S. International Trade Commission Office of Inspector General, based on Commission data

Two of the six PIIA requirements listed in Table 1 applied to the Commission. Based on our analysis of the improper payment documentation provided and testing performed by the Office of the Chief Financial Officer (OCFO) and the Internal Control and Risk Management Division, requirements 3–6 did not apply because the programs or activities assessed by the Commission were not determined to be susceptible to significant improper payments.

The Commission’s most recent risk assessment for FY 2021 did not identify any programs or activities susceptible to significant improper payments at or above the reporting threshold. The OIG agreed with the OCFO’s conclusion that the Commission is at low risk for significant improper payments and that the Commission’s programs are below the established thresholds for additional reporting requirements.

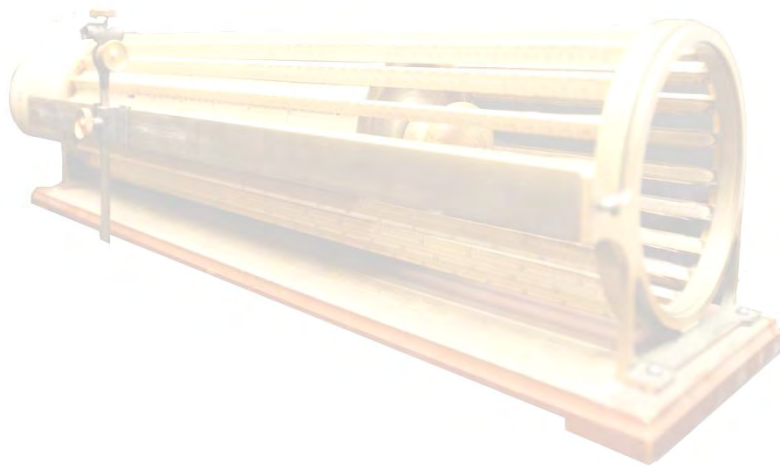
As required, we will be providing a copy of this report to members of the Senate Homeland Security and Governmental Affairs Committee, the House Committee on Oversight and Reform, and the Government Accountability Office. The report will also be sent to the House and Senate Committees on Appropriations in accordance with Appendix C to OMB Circular A-123.

We are not issuing any recommendations in this report. If you have any questions, please do not hesitate to contact me.

Sincerely,

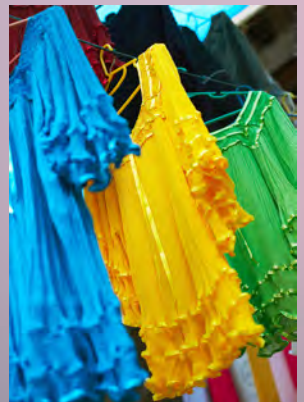
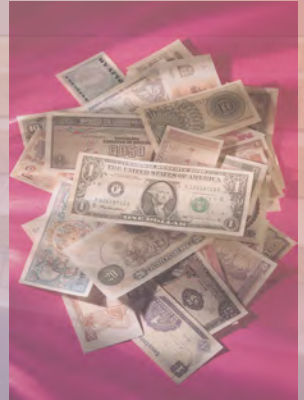
A handwritten signature in blue ink that reads "Rashmi Bartlett". The signature is written in a cursive style with a blue ink color.

Rashmi Bartlett
Inspector General



“Thacher’s Calculating Instrument” developed by Edwin Thacher in the late 1870s. It is a cylindrical, rotating slide rule able to quickly perform complex mathematical calculations involving roots and powers quickly. The instrument was used by architects, engineers, and actuaries as a measuring device.

To Promote and Preserve the Efficiency, Effectiveness, and Integrity of the U.S. International Trade Commission



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